

R. J. Reynolds Tobacco Company

G. N. Kuruc, Jr.
400 Raritan Center Parkway
Raritan Center
Edison, NJ 08837
Phone 732-225-4774
Fax 732-417-9076

October 20, 1997

Mr. Andrew Kerstein
Andy K's Dairy Deli
1160 Ocean Avenue
Sea Bright, NJ 07760

Dear Andy:

As discussed yesterday, I have ordered the following for your proposed CTS Store in Sea Bright:

- 4' Carton Merchandiser with internal lighted canopy
- 4' Waterfall Display with internal lighted canopy
- 3' Graphic WINSTON Promotional Section w/ internal lighted canopy

All fixtures are 80 1/2" in height, 12 3/4" deep, and 36 3/16" or 47 7/8" wide.

As information, please keep the following points in mind with regard to our basic CTS contract requirements:

- We require 25% of the total merchandiser footage.
- RJR will supply a package merchandiser for the use of RJR Brands as well as industry.
- If you choose to use only a Philip Morris Package Merchandiser, RJR must have at least 25% of the total brand facings, and be placed directly under Philip Morris Brands.

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- If Philip Morris or any other manufacturer requires a counter pack display as part of its CTS program, RJR must have a comparable Full Price and or (as applicable) Savings Display.

Attached is a special form for Sports Image, the NASCAR Premium Supplier, Please fill out and return to me for handling.

Andy, your merchandisers have been ordered to our Region Warehouse to arrive in mid November. Please call me when your ready to discuss a planogram for the store. We've found that it's best to do a basic store layout prior to placing merchandisers.

In the meantime, if I can be of any additional assistance, please call me.

Best Regards,

NICK

G. N. Kuruc, Jr.